

EXHIBIT 30

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----x

In Re:

BERNARD L. MADOFF INVESTMENT Adv.Pro.No.
SECURITIES LLC, 08-01789 (BRL)
Debtor.

-----x

IRVING H. PICARD, Trustee for the
Liquidation of Bernard L. Madoff
Investment Securities LLC,
Plaintiff, Adv.Pro.No.
09-1182 (BRL)

v.

J. EZRA MERKIN, GABRIEL CAPITAL,
L.P., ARIEL FUND LTD., ASCOT
PARTNERS, L.P., GABRIEL CAPITAL
CORPORATION,

Defendants.

-----x

VIDEOTAPED DEPOSITION of MORRIS SMITH, as
reported by NANCY MAHONEY, Certified Court Reporter,
RPR, CLR and Notary Public of the States of New York
and New Jersey, at the offices of BAKER HOSTETLER,
45 Rockefeller Plaza, New York, New York on Tuesday,
March 4, 2014, commencing at 10:14 a.m.

Page 34	Page 36
<p>1 capacity constraints, but I don't remember any</p> <p>2 changes about strategy.</p> <p>3 Q. Let me ask you about this capacity</p> <p>4 constraints. What -- what did he say about these</p> <p>5 capacity constraints?</p> <p>6 A. There were -- I remember him</p> <p>7 mentioning at least once, maybe twice, that there</p> <p>8 were -- he felt like there were times they were</p> <p>9 bumping up against the limits of being able to do</p> <p>10 the trades profitably.</p> <p>11 Q. What did you understand that to mean?</p> <p>12 A. The thinness of the market as far as</p> <p>13 being able to execute the option trades related to</p> <p>14 owning -- owning or shorting the stocks underneath.</p> <p>15 Q. Did he ever give you any indication</p> <p>16 of what he thought the limit of Ascot's trading</p> <p>17 strategy in the options market were?</p> <p>18 A. I believe I heard once the number of</p> <p>19 about a billion dollars.</p> <p>20 Q. During any of your conversation --</p> <p>21 subsequent conversations with Mr. Merkin, did he</p> <p>22 discuss how he determined when to be in or out of</p> <p>23 the market?</p> <p>24 MR. STEINER: Objection to form.</p> <p>25 A. It seemed to be based on his feel in</p>	<p>1 with Mr. Merkin, did he ever discuss who the</p> <p>2 custodian of Ascot Fund was?</p> <p>3 A. Yeah, the custodian he had told me</p> <p>4 was -- for all of his assets was Morgan Stanley.</p> <p>5 Q. And during any of these conversations</p> <p>6 did he indicate who, in fact, was executing the</p> <p>7 strategies --</p> <p>8 MR. STEINER: Objection to form.</p> <p>9 Q. -- for Ascot Fund?</p> <p>10 A. So I'm not sure when this was, but</p> <p>11 the name Bernie Madoff or Madoff security -- I don't</p> <p>12 recall specifically -- came up somewhere along the</p> <p>13 way that they were, in a sense, the executing broker</p> <p>14 of the strategies. You know, that -- I think back</p> <p>15 to -- that's why -- I remember the discussion about</p> <p>16 the computer runs. That was, I'm guessing, the late</p> <p>17 '90s, early 2000s, that's what I recalled about</p> <p>18 that, but he had mentioned that somewhere along the</p> <p>19 way.</p> <p>20 Q. Let me ask you: Prior to</p> <p>21 December 2008, were you familiar with Mr. Bernard</p> <p>22 Madoff?</p> <p>23 A. I never met him.</p> <p>24 Q. Did you have an understanding of who</p> <p>25 he was?</p>
Page 35	Page 37
<p>1 the market. He would occasionally ask me how I feel</p> <p>2 about the market, since I was obviously involved, so</p> <p>3 we would have discussions about the stock market.</p> <p>4 That, I guess, you know, just his discussions with</p> <p>5 other investors, et cetera and how he felt about the</p> <p>6 environment.</p> <p>7 Q. Did he ever discuss with you how he</p> <p>8 got -- whether he got any reports or trading runs</p> <p>9 from any individuals that would give him insight</p> <p>10 into the market?</p> <p>11 A. Yeah, he had -- I remember a person</p> <p>12 named Ken, who I thought had worked, I think, at</p> <p>13 Oppenheimer, because he was once -- Ezra was once</p> <p>14 discussing the runs, the computer runs, that he was</p> <p>15 looking to evaluate some of the trades.</p> <p>16 Q. And what would Ken -- what, if</p> <p>17 anything, would Ken provide to Mr. Merkin?</p> <p>18 A. I have no idea. I just remember a</p> <p>19 conversation -- I do remember that part of a</p> <p>20 conversation.</p> <p>21 Q. Did Mr. Merkin indicate what he would</p> <p>22 do with these runs from Oppenheimer Fund?</p> <p>23 A. Not specifically, but I'm assuming he</p> <p>24 was using those for investment criteria.</p> <p>25 Q. During any subsequent conversation</p>	<p>1 A. No -- actually, I was aware that he</p> <p>2 was on the board of trustees, possibly -- he was</p> <p>3 involved with Yeshiva University on some sort of --</p> <p>4 some sort of trustee board level, because it had</p> <p>5 come up in one of our investment committee meetings.</p> <p>6 Q. How about Bernard L. Madoff</p> <p>7 Investment Securities, were you familiar with that</p> <p>8 entity prior to December 2008?</p> <p>9 A. No.</p> <p>10 Q. And you said that at some point</p> <p>11 during your conversations with Mr. Merkin he</p> <p>12 indicated to you that Mr. Merkin was the executing</p> <p>13 broker for Ascot?</p> <p>14 A. Yes.</p> <p>15 Q. Did he give you any more information</p> <p>16 about the relationship between Mr. Madoff and Ascot</p> <p>17 Fund?</p> <p>18 A. Not that I recall.</p> <p>19 Q. What was your understanding of the</p> <p>20 role of an executing broker?</p> <p>21 A. Basically that he would put up the</p> <p>22 trades, he would -- and in a sense he would --</p> <p>23 whatever looked attractive for him, he would</p> <p>24 implement as trades and Ezra would have told him to</p> <p>25 be in the market or not to be in the market, and</p>